

Message Text

CONFIDENTIAL

PAGE 01 JIDDA 03054 231216Z

ACTION NEA-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 FRB-03
XMB-02 OPIC-03 LAB-04 SIL-01 /140 W
-----032514 240541Z /14

R 231105Z APR 78

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1816

INFO AMCONSUL DHAHRAN

USLO RIYADH

C O N F I D E N T I A L JIDDA 3054

E.O. 11652: GDS

TAGS: ENRG, ECIN, EFIN, SA

SUBJECT: SAG STATEMENTS ON ECONOMIC AND OIL POLICY

1. CROWN PRINCE FAHD'S RECENT SPEECH TO ARAB BANK FOR ECONOMIC DEVELOPMENT AND MIN PET YAMANI'S TALK ON FOLLOWING DAY TO RIYADH UNIVERSITY GROUP (SEPTELS) DID NOT IN THEMSELVES CONTAIN MUCH THAT IS NEW OR STARTLING TO THOSE WHO HAVE FOLLOWED RECENT SAUDI ECONOMIC AND OIL POLICY. BOTH OFFICIALS, AS WELL AS OTHER SAG FIGURES, HAVE MADE MOST OF THE POINTS CONTAINED IN THE TWO SPEECHES PREVIOUSLY, USUALLY IN OFF-THE-RECORD BRIEFINGS OF VISITORS.

2. PERHAPS THE MOST IMPORTANT ASPECT OF THE SPEECHES, AND PARTICULARLY THE CROWN PRINCES', IS THAT THEY WERE MADE IN PUBLIC FORUM AND THEN PUBLICIZED AS WIDELY BY THE SAG AS THEY HAVE BEEN. SAUDI OFFICIALS IN GENERAL MAKE ONLY THE MOST ANODYNE PUBLIC PRONOUNCEMENTS ON ECONOMIC POLICY MATTERS AND DO NOT SPELL OUT THEIR CONCERNS. THESE SPEECHES MARK A NEW DEPARTURE IN THAT RESPECT AND MAY INDICATE A SAG INTEREST IN BEGINNING TO MAKE THE SAUDI
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 03054 231216Z

PUBLIC AWARE OF THE RESPONSIBILITIES FACING THE KING-
DOM IN THE INTERNATIONAL ECONOMIC ARENA.

3. ON ECONOMIC AND DEVELOPMENT ISSUES, THE SPEECHES SEEM LARGELY DESIGNED TO REAFFIRM THE SAG'S MONETARY AND FINANCIAL CONSERVATISM PLUS ITS ADHERENCE TO A MODERATE SUPPORT OF THIRD WORLD ECONOMIC DEMANDS.

PRINCE FAHD'S SPEECH, TO A LARGELY LDC AUDIENCE, WAS ALMOST CERTAINLY TAILORED IN PART WITH THE LATTER DESIGN. WE SEE LITTLE NOW OF NOTE.

4.THE SPEECHES ARE MOST INTERESTING ON THE SAG'S PETROLEUM POLICY. PRINCE FAHD'S CALL ON THE INDUSTRIALIZED COUNTRIES TO CUT BACK THEIR ENERGY CONSUMPTION, AND HIS HINT THAT THE SAG WILL TAKE A MORE CONSERVATIONIST POSITION IN FUTURE IN SETTING OIL PRODUCTION LEVELS, ARE HIGHLIGHTED BY YAMANI'S FRANK STATEMENT THAT THE SAG HAS A CENTRAL POSITION IN DETERMINING THE WORLD SUPPLY AND DEMAND BALANCE FOR OIL. THE SIGNAL SEEMS CLEAR AND FOR THE FIRST TIME AUTHORITY TATIVELY STATED TO A SAUDI AS WELL AS FOREIGN AUDIENCE: THE SAG EXPECTS THE INDUSTRIALIZED COUNTRIES TO SPEED UP THEIR CONSERVATION EFFORTS AND ALTERNATIVE ENERGY SEARCH, WITHOUT WHICH THE SAG WILL NOT FEEL OBLIGED TO HELP MEET PROJECTED OIL DEMAND. WEST

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, PETROLEUM, SPEECHES, ECONOMIC PROGRAMS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 23 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JIDDA03054
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780174-0168
Format: TEL
From: JIDDA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780426/aaaaawbn.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 53e2c9a8-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2876764
Secure: OPEN
Status: NATIVE
Subject: SAG STATEMENTS ON ECONOMIC AND OIL POLICY
TAGS: ENRG, ECIN, EFIN, SOPN, SA, (FAHD, CROWN PRINCE)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/53e2c9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014